TWENTY-NINTH ANNUAL REPORT

Fiscal Year 1995

U.S. Department of Transportation
Office of the Secretary

U.S. Department of Transportation

Twenty-Ninth Annual Report

Fiscal Year 1995

Table of Contents

Introduction

America is perhaps the world's most mobile society. In our short history, Americans have moved farther, gone faster, and developed a more extensive transportation network than any other people on earth. To ensure further progress, the Secretary of Transportation, Federico Peña, on January 24, 1994, announced the Department of Transportation's (DOT) **Strategic Plan.** This Plan, which restated the Department's mission as the Federal steward of the Nation's transportation system, challenged DOT employees to put the Department in a position to succeed in the years to come.

The **Strategic Plan** defined the following mission:

> ***The Department of Transportation will "Tie America Together" with a safe, technologically advanced, and efficient transportation system that promotes economic growth and international competitiveness now and in the future, and contributes to a healthy and secure environment for us and our children.***

To ensure that the Nation's transportation infrastructure does not deteriorate, that transportation investments are environmentally friendly, that they stimulate the National economy, and that they are catalysts for improving the safety and quality of life of its citizens, the Department must distribute transportation dollars strategically. To meet DOT's mission, Secretary Peña challenged the Department to focus on the following seven strategic goals:

1) "Tie America together" through an effective intermodal transportation system;

2) Invest strategically in transportation infrastructure, which will increase productivity, stimulate the economy, and create jobs;

3) Create a new alliance between the Nation's transportation and technology industries, to make them more efficient and economically competitive;

4) Promote safe and secure transportation;

5) Actively enhance our environment through wise transportation decisions;

6) Put people first in our transportation system by making it relevant and accessible to users; and

7) Transform DOT by empowering employees in a new team effort to achieve our goals.

The Twenty-ninth Annual Report of the U.S. Department of Transportation reflects the **Strategic Plan** in action, describing many of DOT's activities and accomplishments throughout the Department.

Strategic Goal I: Tie America Together

OBJECTIVE: Achieve *a* new National *Transportation* System that *integrates all* modes and emphasizes connections, choices, and coordination of transportation services and *that* positions this country us an *effective* economic competitor in *the global market*.

OBJECTIVE: *Restore* the health of *the* aviation, maritime, and passenger *rail* industries.

National Highway System (NHS). Capping a multi-year effort developed jointly with state and local governments, DOT submitted a proposed bill that requested Congressional approval of the NHS map. The bill also included provisions to promote innovative financing techniques and state infrastructure banks for transportation projects.

The NHS is the first major step in the development of a national transportation system. It is a prime example of strategic investment of Federal resources and is considered critical to national mobility and economic competitiveness. Enactment of the NHS bill on November 28, 1995, provided for the release of approximately $5 billion in critical highway funds to the states.

Throughout Fiscal Year (FY) 1995, the Federal Highway Administration (FHWA) led a campaign to educate the public about the purpose and need for NHS and worked toward designating NHS and issuing instructions to help the states identify intermodal connections to major ports, airports, and passenger terminals. Although NHS includes only 4 percent of the Nation's roads, as a system, it currently carries 40 percent of all highway traffic, 75 percent of heavy truck traffic, and 80 percent of tourist traffic travel on it.

National Transportation System (NTS). NHS is designed to be the first step for the creation of the NTS, the development of which continues. The Department carried out extensive outreach activities with the transportation community and other interested parties to refine the NTS further. That dialogue, and the response to the Federal Register notice published in 1994, led to a refined approach to the NTS. Rather than a defined network of highways, ports, airports, buses, and transit, the concept was to measure the capacity of the transportation system to perform. To define this concept, three major projects were outlined: a transportation performance measurement system; National and regional transportation analytical tools and evaluation capabilities; and a report on the state of the NTS. A Federal Register notice issued in June 1995 announced this revised focus. During FY 1995, DOT held two major NTS conferences, a National System Analysis Planning Workshop and an NTS Performance Measurement Conference.

The Federal Railroad Administration (FRA) identified nationally significant infrastructure and future needs. It integrates all modes of transportation, emphasizes connections, choices, and coordination of transportation services, and positions this country as an effective economic competitor in the global market.

FRA created a regional rail Geographic Information System (GIS), to support its mission to enforce safety, and to conduct research and development (R&D) in support of national transportation policy. Potential uses of GIS include corridor-specific safety analysis, emergency response, and regional planning.

In support of the NTS, the Bureau of Transportation Statistics (BTS) compiled the Transportation Statistics Annual Report, a comprehensive assessment of the state of the nation's transportation systems and the state of transportation statistics. BTS also began issuing reports and analyses based on the 1993 Commodity Flow Survey (CFS), which provides data on the flow of goods and materials by mode of trans-

port. In June 1995, DOT published the first of a series of reports depicting freight transportation patterns using the 1993 CFS and made it available in print and through the Internet. This report and continuing CFS analyses will help states, local planners, and businesses improve the performance of their freight transportation systems.

Revitalizing Aviation. The Federal Aviation Administration (FAA) has accomplished 19 of the 22 initiatives of its cooperatively-developed action plan to help the general aviation industry. Completed items included revised certification and training requirements for pilots, instructors, and pilot schools, and a simplified and less costly new category of certification for light airplanes. Examples of the revival of general aviation included certification of six new small airplane types and construction work on a new Cessna factory, for which FAA has agreed to provide an Instrument Landing System. Achievements in transport aviation included certificating the Boeing 777, the first U.S. jetliner to use "fly-by-wire" technology, and approving it for long, over-water flights.

International Aviation Policy. Realizing the need for a comprehensive international aviation policy, Secretary Peña strengthened the Department's capacity for policy development and economic analysis. DOT issued the first new U.S. International Air Transportation Policy Statement in 17 years. This Statement, premised on the Department's vision of a global airline industry, affirmed the U.S. commitment to an open, competitive international market, provided a strategy for promoting that objective with its aviation partners, and outlined specific steps that the United States should take to achieve near-term results.

Economic Analysis. Early in FY 1995, the Department created a new office, the Office of Aviation and International Economics, to develop an analytically-based medium-to-long-term view of the airline industry's operating and competitive structures and to provide an independent source of analytical information to DOT's aviation and international affairs policy setting process. This office sponsored the first comprehensive study of international airline code sharing and provided significant analytical input involving major international bilateral and domestic aviation issues.

Aviation Agreements. This Statement has been the underpinning for: an open skies bilateral agreement with Canada that resulted in an almost 25 percent increase in service between the two nations; open skies agreements with nine small western European countries; and new bilateral agreements or talks with Poland, Ukraine, Peru, and Brazil.

New Entrant Airlines. The Airline Deregulation Act mandated the promotion of new entry and competition in the airline industry. While ensuring that it maintains the highest standards of safety and consumer protection, the Department's air carrier licensing program continues to be guided by this mandate. During the past year, DOT authorized four new entrant air carriers to provide air transportation with jet aircraft on either a scheduled or charter basis, and an additional 11 carriers to provide regional service, using small (under 60-seat) aircraft. Eighteen applications for jet service and six applications for commuter service were awaiting action at the end of the year.

Commercial Space Activities. The first space launch trade agreement between the United States and the People's Republic of China (PRC) expired in December 1994. In support of trade negotiations for a new agreement, led by the Office of the United States Trade Representative (USTR), the Office of Commercial Space Transportation (OCST) provided in-depth expertise in commercial space launch technology and industry concerns. Negotiations were completed in January 1995 and the agreement signed on March 3, 1995.

North American Free Trade Agreement (NAFTA) Implementation. Taking leadership to implement NAFTA in FY 1995, DOT focused on transportation safety issues associated with expanding land transportation access and investment in all three nations. The best way to assure transportation safety is for each country to adopt similar comprehensive safety regimes. To this end, NAFTA established the Land Transportation Standards Subcommittee to develop more compatible standards for truck, bus, and rail operations and the transportation of hazardous materials among Canada, Mexico, and the United States.

The United States, Canada, and Mexico have made substantial progress toward compatible operating and safety regulations affecting cross-border surface transportation since they signed the agreement. Regulations applicable to cross-border rail operations are compatible. The three countries have adopted a common inspection standard that commercial motor

vehicles operating in international commerce should sustain. They have completed a comparison of traffic signs and concluded that discrepancies among the three should not hinder international transportation. They are developing a North American Hazardous Materials Code that will include the UN model dangerous goods regulations with the addition of requirements specific to North America and a North American Emergency Response Guidebook printed in English, French, and Spanish. Finally, the three countries agreed to require that drivers operating in international commerce be at least 21 years old and able to communicate in the language of the country in which they are operating.

The Research and Special Programs Administration (RSPA) completed and distributed more than 70,000 copies of the Spanish version of the Hazardous Materials Emergency Response Guidebook to emergency responders in the United States and Mexico.

RSPA improved the safety of transporting hazardous materials and facilitated trade between the United States and Mexico by harmonizing U.S.-Mexico regulations for emergency response information, listing hazardous substances subject to transportation regulations, and labeling placards used to identify hazardous materials in transport. RSPA also contributed to increased trade and improved transportation safety by working with Canadian and Mexican officials to build a single regulatory framework for hazardous materials transportation in North America.

The Maritime Administration (MARAD) completed Phases II and III of the Maritime System of the Americas project, a study of the commercial water bridge that includes the Great Lakes, the Mississippi River system, the Gulf Intracoastal Waterway, and the Gulf of Mexico.

Maritime Revitalization Strategy. Following an extensive review of Federal maritime promotional programs, Secretary Peña in 1994 proposed legislation to ensure that the U.S. military had sufficient maritime support- u p to 50 U.S.-flag military-useful commercial carriers. The legislation passed the House of Representatives, but stalled in the Senate due to a proposed tonnage duty increase associated with the cost of the bill.

In FY 1995, the Department continued to back legislation that would ensure intermodal sealift support in time of war or national emergency. This legislation would support 50 U.S.-flag commercial carriers. Commercial transportation resources include shipping capacity, intermodal equipment, terminal facilities, and management services.

In continuing support of the President's Shipbuilding Initiative, MARAD has approved $905 million in Title XI loan guarantees enabling $1.2 billion in U.S. shipbuilding constructions, including vessels for export.

NMREC. MARAD formed the National Maritime Resource and Education Center (NMREC) to help the U.S. shipbuilding, ship repair, and associated industries improve their international competitiveness, and will add or modify NMREC programs to meet industry needs. Under NMREC, MARAD manages $75 million in Government funds for 36 MARITECH projects, with a total value of $158 million.

Agreement with Brazil. During talks in July 1995 in Brasilia, the United States, led by MARAD, and Brazil concluded negotiations on a new 3-year maritime agreement. The agreement assures U. S.-flag carriers equal access to Brazilian government cargoes and reaffirms the commitment of both countries to continue liberalizing their maritime trade. In Agreed Minutes of the discussions, the United States emphasized support for U.S. carrier efforts to get licenses to operate bonded warehouse facilities. In addition, the U.S. delegation stressed its interest in gaining full access for U.S. liner carriers to move cargo between Brazil and its South American neighbors.

Organization for Economic Cooperation and Development (OECD) Shipbuilding Agreement. The global shipbuilding industry has long been characterized by government subsidies, predatory pricing, and distortion of the global market, all of which have harmed the U.S. shipbuilding industry and its 108,000 employees. After 5 years of negotiations, in which the Department played a significant role, members of the OECD agreed to eliminate nearly all subsidies granted either directly to shipbuilders or indirectly through ship operators.

Historic Black Sea Deployment. In 1995, a USCG cutter completed a historic Mediterranean and Black Sea deployment in support of Operation Partnership for Peace. The cutter deployed with the Navy's Sixth Fleet for the first time since World War II and con-

ducted professional exchanges with the maritime services of Albania, Bulgaria, Romania, Slovenia, Tunisia, Turkey, and Italy.

Memorandum of Understanding with Russia. In 1995, USCG senior-level personnel met with the heads of the coastal maritime services of Russia, Ukraine, and Kazakhstan, providing an integral element of the U.S. Cooperative Threat Reduction program. In October 1995, the USCG Commandant signed with Russian officials a historic "Memorandum of Understanding Between the United States Coast Guard and the Federal Border Service of the Russian Federation," formally expanding cooperation between the two services and provides for increased, mutual operational efficiencies.

Strategic Goal 2: Invest Strategically In Transportation Infrastructure

OBJECTIVE: Work to "complete what we have started" and to "repair what is broken" on time and within budget.

OBJECTIVE: Ensure that new projects strengthen the national and regional economies, reduce congestion, increase efficiency and enhance safety.

Innovative Financing (IF). To maximize the benefits of Federal investments, the Department developed a program for transportation infrastructure that included expanded use of IF mechanisms and private sector investment. FHWA, FAA, FRA, and FTA continued its support of innovative contracting procedures, such as cost-plus-time bidding and warranty clauses. By the end of FY 1995, more than 65 percent of the states were practicing one or more of these procedures.

FHWA's IF Initiative has created new opportunities to mix Federal funds with private funds and has cut complex application procedures and other red tape. As a result, project approvals made in FY 1995 through its Innovative Finance Test and Evaluation accelerated more than $2 billion in infrastructure investment and leveraged approximately $750 million in new non-Federal public and private investment. According to FHWA, each $1 billion invested in transportation generates 25,000 new construction-related jobs. Thus, the Department's efforts will add more than 50,000 new jobs to the local economies in which these projects are found. Since many projects are in the early stages, the bulk of the investment and jobs creation is likely to take over several years, but projects approved in FY 1995 set the stage for significant ongoing job creation.

In addition to IF projects carried out under current legislation, FHWA worked to include technical revisions to increase financing opportunities, and a pilot project for state infrastructure banks in the NHS bill. This effort was ultimately successful, creating new legislative authority that will lead to increased infrastructure investment.

FHWA encouraged the states to use a variety of IF techniques to leverage private infrastructure investments available under an experimental test and evaluation project. FHWA approved 27 IF projects with an anticipated value of more than $5 billion. Additionally, FHWA revised guidance and regulations on maintenance of effort for toll credits, and developed new strategies for the advancement of IF procedures. FHWA drafted proposed IF legislation and submitted it to Congress for enactment.

The Federal Transit Administration (FTA) selected eight projects to receive discretionary grant funds to demonstrate IF techniques. With an investment of just $2.8 million, these projects will attract more than $7 million in local funds through such techniques as leasing, turnkey construction, and revolving loans. In support of this initiative, FTA published an "Innovative Financing Handbook" to introduce the many financing innovations that are available to transit systems. FTA also provided technical assistance to additional applicants in municipal financing, bond issuance, and other finance techniques. To assure that financial innovation remains a principle in transit investment, the agency modified major investment guidelines to include consideration of IF in the evaluation of new transit capital projects.

FRA worked with Congress and all interested rail parties to develop a comprehensive, continuing, and reliable funding program for a transportation infrastructure, including expanded use of IF mechanisms and private sector investment to increase the benefit of federal investments. FRA identified approximately 80 state-supported and/or local-supported rail and

rail-related projects potentially eligible for funding under the Intermodal Surface Transportation Efficiency Act of 1991. FRA supported or assisted 11 projects to date, which had been approved or accepted under the Partnership for Transportation Investment.

Conditions and Performance Report to Congress. FTA, FHWA, and MARAD worked toward completing the 1995 Conditions and Performance Report to produce a more rigorous, comprehensive estimate of highway and transit investment needs for the next decade and beyond.

Aviation Capital Investment. Following a major restructuring of its air traffic control (ATC) system modernization, FAA modified its automation contract to reflect revised base requirements for the design and construction of advanced workstations for en route air traffic controllers, a project designated the Display System Replacement, and for development of similar capabilities for tower controllers. This will result in cost savings to both taxpayers and the traveling public, as well as increased safety and airspace capacity.

Terminal Doppler Weather Radar (TDWR). By the close of FY 1995, FAA had commissioned eight of the 47 TDWR Systems deployed to alert pilots to wind shear and other meteorological hazards.

Communications Systems. FAA commissioned the first three of 21 Voice Switching and Control Systems that will provide reliable, high-speed communications between pilots and en route controllers. To achieve similar benefits for tower controllers, the agency awarded a contract to build the Enhanced Terminal Voice Switch system. FAA inaugurated the National Airspace Data Interchange Network to provide rapid information sharing among en route centers, and contracted for state-of-the-art data network and leased telecommunication services for broad interfacility use.

Airports. FAA awarded $1.45 billion in Airport Improvement Program (AIP) grants, and approved Passenger Facility Charges collections of more than $1.4 billion to fund almost 750 airport projects. FAA continued to participate in promoting civil use of former and existing military airports, and conducted airport-related research that included the initial development of a layered elastic design for durable runway pavements. The opening of Denver International Airport in February, the first new U.S. jetport in more than two decades, improved both regional transportation and national airspace capacity.

Commercial Space Licensing. OCST issued a renewal of an operator license to Martin Marietta, which later shifted to the merged Lockheed-Martin Company, for Atlas launches and amended an operator license issued to McDonnell Douglas for Delta launches from Cape Canaveral. These actions extended the authority of the companies to conduct their respective licensed activities at Cape Canaveral Air Station for 2 years.

Highway Program. FHWA oversaw the obligation of $20.1 billion under the Federal-Aid Highway Program, designed to help the states finance the construction and repair of roads and bridges, and pursue critical research projects. Of that amount, $416 million supported the building of roads and bridges on federally-owned lands.

As of the end of FY 1995, 42,765 miles of the Interstate system were open to traffic, some 99.9 percent of the total Interstate system.

To increase income for the Highway Trust Fund, FHWA, and the DOT Office of Inspector General (OIG), continued its strong commitment to ending fuel tax evasion. In FY 1995, this initiative resulted in the collection of an additional $1 billion in revenue.

Transit Program. FTA oversaw the largest obligation level in its history—$4.606 billion. This funding was used by states, cities, and counties to support the purchase of 5,400 urban buses and paratransit vans, the replacement and refurbishment of 7,349 miles of track, and the maintenance of 2,271 transit stations and 15,600 railcars. In addition, FTA issued $4.4 billion in new or amended Full Funding Grant Agreements to support projects to build new, or to extend, rapid rail, busway, light rail, and commuter rail systems. Such systems transported more than 10 million urban commuters every day, as well as over 30 million elderly, working poor, and persons with disabilities in rural America.

Seaway Traffic. In FY 1995, more than 41 million metric tons of goods passed through U.S. Seaway locks, 5.7 million more than during FY 1994. The Saint Lawrence Seaway Development Corporation (SLSDC) attributed this increase to the improvement

of the economy, and the Corporation's cost containment and international marketing efforts. SLSDC released an updated study of the impact of Seaway maritime commerce on the U.S. Great Lakes region. The Seaway generated 50,000 jobs and $2.2 billion in personal income, a 12 percent increase over 1991.

Minority, Women-owned, and Disadvantaged Business Enterprises (MBEs/WBEs/DBEs). The Department continued its commitment to the participation of MBEs, WBEs, and DBEs in DOT direct procurement and Federal financial assistance activities. DOT awarded more than $3.59 billion in Federal funds to MBEs/WBEs/DBEs including $790.8 million in direct contracts and $2.8 billion in Federally-assisted contracts of DOT-assisted state and local transportation agencies.

Through the Office of Small and Disadvantaged Business Utilization (OSDBU), the Department continued to manage two financial assistance programs that enable DBEs to obtain accounts receivable lines of credit through the Short-Term Lending Program (STLP), and bid, performance, and payment bonds through the Bonding Assistance Program (BAP). OSDBU approved 60 lines of credit under the STLP, totaling $12.4 million.

As part of a new Pilot Bonding Program to enhance access to bonding assistance at the local level for transportation-related contracts, OSDBU established 7 pilots: in Miami, Tampa, and Orlando, FL; Albuquerque, NM; Indianapolis, IN; Cincinnati, OH; and Raleigh, NC. As a result, the BAP grew from $0.4 million in FY 1992 to more than $14 million in FY 1995. OSDBU issued 64 dual performance and payment bonds totaling $14.5 million under the BAP during FY 1995.

Strategic Goal 3: Create A New Alliance

OBJECTIVE: Accelerate technological advances to make our transportation system more efficient, environmentally sound and safe.

OBJECTIVE: Promote the development and export of transportation technology.

Intelligent Transportation System (ITS). With FHWA leadership and guidance, the managing coalitions of the four ITS Priority Corridors developed their concept plans to advance their ITS programs.

On October 3, FHWA signed the Automated Highway System (AHS) Consortium Agreement with General Motors, Parsons-Brinkerhoff, the Bechtel Corporation, Lockheed-Martin, Delco Electronics, Hughes Aircraft, Carnegie-Mellon University, UC PATH Program, and Caltrans. The Consortium will serve as the national AHS focal point, analyze options, share resources, prepare a demonstration, and develop a prototype system.

The National Highway Traffic Safety Administration (NHTSA) developed preliminary performance guidelines for intelligent collision avoidance systems to help drivers avoid several types of collisions. Work was completed on several projects that dealt with human factors considerations, such as driver workload of intelligent transportation systems. A new research tool, the Data Acquisition System for Crash Avoidance Research, was completed. Operational tests of two safety-related systems, an Automatic Collision Notification system and an Intelligent Cruise Control system, began.

FHWA advanced five ITS projects in Colorado, Idaho, and Washington to the operational testing stage. Three tests use technology to advise drivers of current roadway and driving conditions. The others are "Mayday" tests that improve assistance to disabled motorists or motorists in need.

A major accomplishment in the Commercial Vehicle Operations (CVO) area of the ITS was identifying the need for a fully integrated collection of commercial vehicle information systems operated by the states, carriers, and other stakeholders. This information network will support the deployment of CVO-ITS technology applications for public and private stakeholders. In addition, FHWA completed testing the pen-based computer software that state roadside inspectors will use to identify problem motor carriers and to improve the efficiency of the roadside inspection process. The pen-based computerized inspections target high-risk motor carriers for inspection, reduce the oversampling of other carriers, perform on-line checks of the commercial driver's license, and enable faster, more accurate inspection data entry.

Global Positioning System (GPS). On August 1, the Secretaries of Transportation and Defense issued the 1994 Federal Radionavigation Plan, the official document for U.S. policies and plans for radionavigation systems. The Plan concluded that GPS, when properly augmented for integrity, availability, and accuracy, should be the primary U.S.-provided navigation system for the future.

FAA pressed ahead with the domestic and worldwide application of the GPS to civil aviation, a development that will yield broad gains in safety, cost avoidance, and system capacity. FAA formally offered the International Civil Aviation Organization (ICAO) use of GPS for 10 years, free of end user charges. In December 1995, the agency approved GPS as a primary means of navigation for oceanic and remote operations. Efforts to increase the immediate avail-

ability of GPS for nonprecision landings included developing 411 stand-alone procedures for landings at sites lacking ground-based navigational aids. FAA began developing the ground-based Wide Area Augmentation System that will enhance GPS signals to support primary navigation within the United States, and precision landings under Category I visibility conditions. Having shown that GPS also can support precision landings under the more difficult Category II and III conditions, the agency worked to develop a Local Area Augmentation System to provide this capability.

High-speed Rail. FRA promoted high-speed rail as a viable transportation alternative in select corridors: by awarding grants for a demonstration of high-speed rail positive train control systems, testing a 125 mph non-electric locomotive in a New York State demonstration, and supporting the development of a light weight diesel and an advanced Turbine propulsion system using a flywheel energy storage system.

National Science and Technology Council Transportation R&D Committee. RSPA and the Office of Technology Deployment led the interagency Committee in identifying Government-wide R&D priorities and in developing interagency R&D plans, reports, and guidance on subjects such as system assessment, aeronautics and aviation, human factors research, and information and physical infrastructure. They also hosted, with the Transportation Research Board (TRB), a very successful "Forum on Future Directions in Transportation R&D," which provided an opportunity for the research and transportation communities to enter into the Government's transportation R&D strategic planning process.

Research and Technology. RSPA, in partnership with the Department of Energy (DOE), the Electric Transportation Coalition and the Electric Vehicle Association of the Americas, took the lead in helping cities prepare their infrastructures for electric cars, and held its first industry/government technology symposium on Challenges and Opportunities for Global Transportation in the 21st Century at the Volpe National Transportation Systems Center (Volpe) in Cambridge, Massachusetts.

Advance Technology Transit Bus (ATTB). FTA has funded an industry partnership between Northrup-Grumman Corporation and the Los Angeles and Houston Metropolitan Transit Authorities to design and build a prototype ATTB. The ATTB will be powered by a hybrid-electric and will be built using carbon fiber and other polymer compounds developed for the defense industry. The first of six prototypes is planned to be in revenue service by the end of FY 1996.

Aviation System Capacity. FAA released an Aviation Capacity Enhancement Plan outlining a series of strategies for increasing national airspace capacity and combating projected delays. By allowing aircraft to hold in the air near their destination for up to 15 minutes, rather than wait on the ground at departure airports, the Managed Arrival Reservoir Program began accelerating travel at eight major airports. FAA and the National Aeronautics and Space Administration (NASA) agreed upon a partnership for R&D to improve airspace system efficiency. By the close of FY 1995, FAA's Capacity Design Program had studied 42 of the Nation's top 50 airports and recommended further actions to improve efficiency.

Promoting Aviation Technology. FAA and 11 airlines established an unprecedented consortium to develop an Aeronautical Telecommunications Network for rapid, reliable communications worldwide. Working with industry, FAA promoted development in such fields as mobile information systems and the nondestructive evaluation of aircraft engines. Aviation research grants included more than $21.5 million in new awards and $26 million in continuing grants. FAA participated in the National Technology Reinvestment Project, which helped to advance the state of the art in a broad spectrum of aviation-related fields, and continued to sponsor significant research projects at Air Transportation Centers of Excellence in three states. Successes under FAA's Small Business Innovative Research program included the marketing of a system used to transmit radar images in compressed digital form. FAA undertook four new cooperative R&D agreements under its Technology Transfer Program, and held a first-ever Industry Day, featuring research-related briefings and tours.

FHWA identified and developed more than 130 activities in the Technology Transfer Program to promote nationwide. As part of its International Technology Exchange Program, FHWA provided technical assistance to its Russian counterpart agency, and established Technology Transfer Centers in South Africa and the Baltic states. In addition,

FHWA has technology exchange agreements with Canada, Mexico, France, Japan, and Russia. FHWA also led efforts to share data with 34 countries on long-term pavement performance to improve highway durability and load resistance.

FRA promoted the development and export of transportation technology, providing cooperative assistance to Kazakhstan on restructuring its Ministry of Railways and developing a GIS. Representatives can now be trained in the United States and exposed to the U.S. rail industry.

FRA provided leadership for U.S. rail industry efforts to promote export trade opportunities with Polish railways. An FRA trade assessment team journeyed to Warsaw, providing advice about a new Polish rail safety program. FRA also provided technical assistance to the Polish Ministry of Railways as it commercializes/privatizes its system.

Transfer of Loran-C Sites. On behalf of the U.S. Government, the United States Coast Guard (USCG) negotiated the transfer to eight host nation governments of 15 overseas Loran-C stations no longer required by the Department of Defense (DOD). This multiyear termination project reduced USCG annual operating and personnel costs, and was completed with a notable savings of more than $41 million in potential closure, cleanup, and liability costs.

International Technology Development and Trade. Secretary Peña's successful trade promotion missions to nine countries in Asia and to Chile, and trade advocacy activities on behalf of U.S. companies, resulted in groundbreaking multimillion dollar technology contracts in aircraft sales, airport development, air navigation aids, a strategic rail system, and dredging equipment. A number of the Department's other cooperation agreements have opened the door to increased export sales of transportation-related goods and services.

Continuing to harmonize its regulations with those of Europe's Joint Airworthiness Authorities, FAA published new final rules on certifying small and commuter planes, and worked toward a similar rule on repair station standards. FAA made progress toward harmonizing rules and procedures with Mexico and Canada and toward upgrading U.S.-Mexican exchange of ATC information. FAA participated in efforts to open new air routes over Russian and other Far Eastern territory, and has taken steps to improve communications and ATC in that region. FAA also worked to increase U.S. access to Russian airports and strengthened technical cooperation with Russia toward a Bilateral Airworthiness Agreement.

National Space Transportation Policy. OCST staff served on the Common Spacelift Requirements Working Group that prepared a report outlining space launch requirements for commercial, civil, military and intelligence users and developed a Coordinated Technology Plan for space launch requirements.

Strategic Goal 4: Promote Safe and Secure Transportation

OBJECTIVE: Significantly reduce deaths and injuries on *our transportation* system, which will reduce the burden on our *health cure system.*

OBJECTIVE: Minimize the dangers to communities and industry *associated* with the transportation of goods.

Surface Transportation Safety. Although traffic-related deaths increased slightly from 40,676 in 1994 to 41,798 in 1995, the fatality rate per 100 million miles traveled remained at 1.7, the lowest level in history. Alcohol involvement in traffic fatalities decreased 25 percent from 22,084 in 1990 to 16,589 in 1995. The proportion of traffic fatalities involving alcohol dropped from 50 percent in 1990 to 41 percent in 1995.

In 1995, the Department began implementation of alcohol testing and expanded the scope of drug testing for safety-related transportation workers. The expanded program now covers more than 8 million employees, and is a significant deterrent to substance abuse by people who affect the safety of the traveling public.

FHWA drug and alcohol testing programs for commercial drivers were greatly expanded. Large motor carrier employers began testing on January 1. Similar alcohol and drug testing programs were implemented in the other operating administrations.

During 1995, safety belt use was 67 percent nationwide. Seventeen states reached 70 percent belt use or better and six achieved 80 percent usage or greater. New Mexico had the highest rate—86 percent. Safety belts saved more than 9,100 lives and prevented more than 139,200 moderate-to-critical injuries. The State of Maine, the 49th state to do so, passed a mandatory safety belt law. Louisiana became the second state to upgrade its seat belt laws from secondary to primary enforcement.

Safety **Rules.** In August, NHTSA announced the most significant new safety rule in a decade, a requirement that cars and light trucks have better head protection for occupants. The head impact rule is expected to save more than 1,000 lives a year with a similar number of serious injuries avoided annually. Cost per vehicle is about $50.

As part of its effort to maximize child passenger safety, NHTSA published a rule adding sizes and weights for the test dummies used to assess child restraints. These new dummies help to assure an adequate level of safety for children ranging from newborn infants to age six.

Since a rear-facing infant restraint cannot safely be installed at a seating position with an air bag, vehicles that do not have rear seats, such as pickups, cannot transport a young infant safely. To avoid this, NHTSA published a rule allowing manufacturers of vehicles without rear seats to install a manual switch to deactivate the passenger air bag while an infant is riding.

Child restraints saved the lives of an estimated 250 children under age five. NHTSA established a Blue Ribbon Panel to recommend ways to make child safety seats easier to install and more convenient to use. On May 30, the Panel presented 27 recommendations, an excellent example of industry and safety groups working together to improve highway safety. NHTSA later issued the first quarterly report documenting progress made in pursuing these recommendations and developed an infrastructure and training system to accommodate the child safety seats distribu-

tion program that General Motors funded as part of its settlement agreement with the Department in the C/K pickup defect investigation.

Stressing the importance of improving the stability and steering control of trucks and buses on the Nation's highways, Secretary Peña announced in March a requirement that heavy trucks, tractors, trailers, and buses be equipped with antilock braking systems. The new requirement will prevent about 29,000 crashes involving up to 500 deaths and 25,000 injuries annually.

NHTSA published a rule extending the crash testing requirements for passenger cars to light trucks, vans, sport utility vehicles, and small buses.

NHTSA published a rule extending the side door lock and latch strength requirements to the rear doors of cars, vans, and sport utility vehicles. For the first time, the door lock requirements will now apply to the rear doors in hatchbacks, station wagons, sport utility vehicles, and passenger vans.

Partnerships. NHTSA provided technical and financial support to a public/private sector coalition, "Techniques of Effective Alcohol Management (TEAM)." TEAM. promotes responsible alcohol service in public facilities, and team-trained instructors provided workshops and technical support to more than 5,000 employees.

To meet Secretary Peña's highway safety goals of increasing safety belt use to 75 percent and reducing alcohol-related fatalities to 15,400 by the end of 1996, NHTSA managed "Campaign Safe & Sober." The primary program themes for 1995 were: January-March, child passenger safety; April-June, youth; July-September, speed; and October-December, alcohol. Each quarter NHTSA develops and distributes 50,000 new resource kits that support the quarterly theme.

NHTSA held town meetings in each region to encourage state and community participation on key alcohol issues for the "Partners in Progress" national meeting in Washington, DC. More than 100 representatives of government, private industry, and citizen groups met in Washington to set new impaired driving goals and identify strategies for reaching these goals. Secretary Peña announced the new goal: to reduce alcohol-related traffic fatalities to 11,000 by 2005, a reduction of almost 6,000 deaths annually.

NHTSA distributed more than 60,000 National Drunk and Drugged Driving (3D) Prevention program planners to state and local organizations to promote "Lights on for Life Day," National Holiday Lifesavers weekend, and other 3D month activities.

"National EMS Agenda for the Future," a national agenda conference, established the optimal attributes of EMS systems on which future development efforts should focus. NHTSA also revised five DOT EMS National Standard Curricula, and established a partnership with the American College of Emergency Physicians to promote National EMS Week, which raises public awareness and appreciation for the essential services provided by EMS personnel.

NHTSA held its first Uniting for Progress: Traffic Safety Diversity Forum, bringing together national organizations that serve culturally diverse populations to share information on traffic safety and discuss collaborative efforts. For its "Speed Shatters Life" campaign, NHTSA produced Spanish language TV and radio public service announcements (PSAs) and broadcast portions of the "Make the Right Call" campaign in Spanish for EMS providers who work with Spanish language populations.

To reduce injuries and fatalities caused by motor vehicle crashes, NHTSA continued to support the Network of Employers for Traffic Safety (NETS). With new goals established in a Leadership Council meeting with Secretary Peña, several chief executive officers, and public sector leaders, NETS has added seven state programs and increased membership to 2,000 employers. Two new employer initiatives include a DOT internal cost identification and employee awareness program and a new Secretarial campaign to emphasize employee transportation safety.

FHWA began to develop a multimodal implementation plan for its responsibilities under the DOT Railroad-Highway Grade Crossing Action Plan. Coordination with NHTSA and FRA is ongoing. FRA promoted comprehensive and systematic corridor reviews of highway-rail crossings, especially those over the Principal Rail Network, and encouraged the elimination of little used and redundant crossings within corridors where alternatives exist, especially on NHS.

FRA and Operation Lifesaver increased the public education campaign about highway-grade crossing

safety. DOT's operating administrations pooled their resources to develop and distribute television, radio, and print PSAs. During the summer, television and radio PSAs covered all 50 states and more than 700 media markets. With FHWA, FTA, and NHTSA, FRA developed the Always Expect a Train safety campaign to educate motorists and pedestrians about the fatal consequences of car-train and pedestrian-train collisions. This campaign resulted in $3 million of donated advertising time.

To raise public and police awareness about the extent and the illegality of, as well as the dangers inherent in, trespassing and vandalism on railroad rights-of-way, FRA chaired a national Trespass Prevention Workshop in Atlanta, GA. More than 70 individuals from railroads, law enforcement agencies, and special interest groups attended. To further address issues identified at this workshop, the agency planned five regional workshops. Three were held, in Indianapolis, IN, Orlando, FL, and Sacramento, CA, and the remaining two were scheduled for El Paso, TX, and the Northeast.

Working with Communities. Twenty-six states and the District of Columbia qualified for and received grants totaling $25 million under the Section 410 Alcohol Incentive Grant program.

The Section 402 State and Community Highway Safety Grant programs provides assistance to states, territories, and the Indian nations to set up effective highway safety programs. NHTSA distributed grant funds totaling $123 million, with $8 million earmarked for programs directed at underage drinking and driving. Twelve states received "Administrator's Highway Safety Programs of Excellence" awards for outstanding highway safety accomplishments made through the Section 402 program.

NHTSA and FHWA published a final rule adding speed control to the list of national priority programs in the Section 402 program. The agencies also published a notice officially adding new uniform guidelines for three highway safety programs (speed control, occupant protection, and roadway safety) and revising six of the existing guidelines (motorcycle safety, impaired driving, traffic records, emergency medical services, pedestrian and bicycle safety, and police traffic services).

FHWA promoted its Red Light Running campaign and provided implementation grants of more than $600,000 and technical assistance to 32 communities throughout the Nation to help increase driver compliance with traffic control device signals.

To better understand what features of state safety management systems (SMS) are the most effective, FHWA, in cooperation with NHTSA, initiated a review of the SMS of nine states and completed a draft report.

Technological Assistance to the States. Under the computerized Problem Driver Pointer System (PDPS), states receive an accurate driver history record quickly and cheaply; employers get a nationwide file check before hiring a driver; and the Federal government ensures that all operators-air, rail, water, and motor vehicles-are screened for adverse driver history records. By the end of 1995, the PDPS was operational in 35 states. The National Driver Register processed 30,393,594 file checks in calendar year (CY) 1995 including 300,971 from FAA for pilots, 17,446 from FRA for railroad operators, and 34,182 from other Federal agencies.

Bridge Collisions. FRA worked with USCG to improve the ability of mariners to notify appropriate authorities about bridge collisions. In one project, FRA worked with a major railroad to post signs on its bridges over waterways clearly identifying the bridge and its owner. This was done to remove any doubt about whom USCG should notify once it receives word of a collision. Union Pacific is testing a second type of improved pier marking on Harahan Bridge over the Mississippi River at Memphis, TN. FRA's Office of Safety continues to receive and add waterway bridge identification data to its database for USCG use.

Pipeline Safety. In partnership with the states and industry, RSPA designed a collaborative regulatory framework as an alternative to prescriptive regulation. A RSPA-led team of oil pipeline operators and representatives of state and local governments strongly endorsed the application of risk management to the oil pipeline infrastructure and laid out guidelines for further consideration. The gas pipeline industry participated in a similar team and accepted the conclusions reached by the oil team. This FY 1995 accomplishment forms the groundwork for development in

FY 1996 and beyond to set risk-based priorities for improving pipeline safety.

In its Pipeline Safety program, RSPA began to reduce the risk of pipeline ruptures by issuing a final rule on pipeline damage prevention that extended the program to gas transmission operators in sparsely populated areas, and made the program applicable to hazardous liquid pipeline operators. Finally, RSPA took steps to improve its oversight of the Trans-Alaska pipeline by hiring two additional inspectors in the Alaska field office and playing a more active role in the Joint Pipeline Office. The Trans-Alaska pipeline raises special problems of risk to the environment and security.

Hazardous Materials Safety. RSPA published a final rule concerning requirements for the transportation of regulated medical waste containing infectious substances. This rule protects both transport workers and the public and reduces the cost of compliance for health care providers and research facilities.

RSPA increased its customers' access to information about hazardous materials transportation by connecting the Hazardous Materials Information Exchange to the Internet. This initiative, which was recognized by the Vice President's Hammer Award, improved public access to RSPA's computerized bulletin board and national clearinghouse, which includes approximately 36,000 users nationwide. Customers can receive immediate information, technical assistance, download regulations and notices of changes, and respond to RSPA's requests for comments without a fee. Finally, RSPA has made six new hazardous materials safety training modules on the handling, packaging, marking, and placarding of hazardous materials in transportation available to the public on CD-ROM.

RSPA promoted international commerce by issuing a final rule harmonizing U.S. hazardous materials regulations concerning the transportation of radioactive materials with those of the International Atomic Energy Agency. RSPA contributed to safety and facilitated international trade by updating domestic hazardous materials regulations consistent with international regulations for the transport of dangerous goods by land and sea. RSPA awarded a $250,000 training grant to the International Association of Fire Fighters to improve safety in the transportation of hazardous materials.

Maritime Safety. In 1995, USCG responded to more than 49,000 search and rescue cases, saving more than 4,400 lives, assisting 100,000 people, and saving more than $2.4 billion in property.

USCG leadership aided in a worldwide effort for adoption of the Port State Control initiative. Foreign vessel boardings under the Port State Control program resulted in 512 foreign ships detained in U.S. ports due to discovery of vessel safety problems.

During FY 1995, for the first time, more than a million vessels transited USCG's eight VTS sites with no accidents, a 20 percent increase in vessel movements over 1994.

MARAD completed the initial outfitting of personal safety equipment and safety training videotapes on the 62 RRF ships and developed a back order/ funding system to keep safety equipment and supplies on RRF ships up to desired stock levels.

In August, SLSDC successfully conducted its fifth annual training exercise in support of its Emergency Response Plan. Participants included 150 public safety personnel from the United States, Canada, and the Mohawk Indian agencies from the Massena, NY, area.

Aviation Safety. In January 1995, DOT and FAA hosted an aviation safety conference-bringing industry and government together-working with more than 1,000 aviation executives and safety technicians to achieve the goal of "zero accidents." The conference resulted in an FAA Safety Action Plan detailing 173 initiatives to eliminate aviation hazards. A second conference is scheduled for December.

DOT and FAA launched an important initiative to upgrade safety standards for commuter airlines to the level of those applicable to major airlines, producing a proposal for this complex rulemaking within only 100 days. These rules address a broad range of safety issues, such as pilot training, dispatching capabilities, and emergency handling. FAA issued final rules to establish duty time limitations and rest requirements for flight attendants, as well as minimum combined experience requirements for two airline pilots flying together. Other new rules enhanced air tour safety in Hawaii, made regulatory changes to reflect a revised statutory definition of public aircraft, and mandated special requirements for pilots of certain helicopters.

FAA issued rulemaking proposals to update airman medical certification and prohibit using certain types of child restraint systems. The agency mandated procedures and structural modifications to protect Avions de Transport Regional (ATR) commuter aircraft against icing hazards.

Placing increasing emphasis on human factors in safety, FAA initiated a plan to apply research in this field to the National Airspace System in cooperation with NASA and DOD. FAA pressed ahead with research on such varied safety issues as aircraft fires, wake turbulence, advanced structural materials, and maintenance of aging aircraft. Projects to enhance airport safety included cooperative tests of a soft-ground aircraft arresting system to minimize the hazards of runway overruns. FAA worked with industry to establish and certify the first transport category aircraft predictive wind shear system, and to pursue such goals as enhancing pilots' situational awareness and improving safety-related data collection and sharing.

FAA conducted a critical design review regarding the safety of the Boeing 737 flight control system, and devised a comprehensive plan to combat more aggressively the use of unapproved aircraft parts. The agency determined the cause of blade failures on certain propeller models, and conducted special inspections to ensure the safety of tourism-related aviation in Alaska. FAA released the Safety Performance Analysis System, a decision support and analysis tool that assists aviation inspectors to more effectively prioritize their surveillance and certification activities by identifying air operators that present a safety risk.

The United States and the Netherlands signed the world's first bilateral aviation safety agreement, creating a regulatory partnership in such areas as aircraft certification and repair facility monitoring. FAA conducted twelve new assessments of foreign nations' abilities to provide safety oversight of their airlines serving U.S. airports. Using this assessment program as a model, FAA aided development of a voluntary Safety Oversight Program that ICAO has adopted. FAA provided technical assistance to more than 66 countries and continued to help Central and Eastern European nations restructure their airspace systems. Assistance to Russia included safety training, advice on a new national air code, and assistance in implementing the recommendations of a 1994 joint civil aviation safety evaluation.

Civil Aviation Security. FAA used its security contingency plan to respond successfully to serious terrorist threats against U.S. airlines that occurred in the Pacific region during January and in California during June. In August, acting on information provided by law enforcement and intelligence agencies, the agency increased security measures at U.S. airports to deter criminal acts. FAA issued regulations requiring lo-year background checks of applicants for positions involving unescorted access to secure areas of airports, and proposed a rule to strengthen the protection of sensitive security information. Achievements in R&D included certification of the first Explosive Detection System for detecting bulk explosives in checked baggage, and the completion of prototype development of hardened baggage containers to protect against explosions.

Maritime Security. USCG drug interdiction operations resulted in the seizure of 33 vessels with 117 arrests and the removal of 48,920 lbs. of cocaine, 46,497 lbs. of marijuana, and 1,295 gallons of hash oil from circulation. USCG migrant interdiction operations resulted in more than 909 Haitian, 3,387 Dominican Republic, 519 Cuban, and 455 PRC migrant recoveries and subsequent repatriations.

In addition, USCG provided training in 51 countries for more than 1,000 foreign students on drug interdiction, migrant surges, and a variety of technical issues to utilize the equipment and facilities of host nations, establishment of a Waterways Law Enforcement School, management of ocean fisheries, and the development of fisheries requirements.

Transit Security. FTA conducted four workshops and conferences on transit safety and security, and published two transit security guides. With the Transit Cooperative Research Program of the TRB, FTA funded a study of emergency procedures for counterterrorism. Through the Transit Safety Institute, FTA conducted training in Transit System Security, Transit Explosives Incident Management, and Effectively Managing Transit Emergencies. To disseminate information on transit safety and security, FTA established an on-line bulletin board and clearinghouse. The information is being converted to make it accessible through the Department's Home Page on the World Wide Web.

Strategic Goal 5: Actively Enhance Our Environment

OBJECTIVE: Harmonize transportation policies and investments *with* environmental concerns.

OBJECTIVE: Provide leadership by our own example to implement environmentally friendly solutions to DOT's daily activities.

Air Quality. The Department worked with the Environmental Protection Agency (EPA), DOE, state and local governments, and MPOs to implement the Clean Air Act Amendments of 1990. DOT worked with EPA to draft amendments to the Transportation Conformity rule that provided relief to areas having difficulty meeting air quality planning deadlines and developing conforming transportation plans.

To harmonize better transportation policies and investments with environmental concerns, FHWA reissued its Environmental Policy on November 11, 1994. FHWA continued to work with the United States Army Corps of Engineers (USACE) and EPA to make processes required under the National Environmental Policy Act (NEPA) and Section 404 work together in the field. On the 25th anniversary of Earth Day, FHWA inaugurated its awards for Environmental Excellence, honoring state and local governments and private sector firms for their exemplary environmental activities.

Congestion Mitigation. In December 1994, FHWA and EPA reviewed the Congestion Mitigation and Air Quality Improvement (CMAQ) Program, which led to a revision of CMAQ guidance on July 13. Modified guidance provided greater flexibility to the states in operating their CMAQ programs.

Global Climate Change. The Department participated in the U.S. review and provided comments on transportation chapters in the 1995 Assessment of the Impacts and Consequences of Climate Change, published by the United Nations Intergovernmental Panel on Climate Change. DOT continued to participate in the Partnership for a New Generation of Vehicles, the joint industry-Government effort to develop a vehicle that achieves up to three times the fuel efficiency of today's vehicles, while still meeting emissions, safety, and other standards.

Fuel Cell Bus. Testing of the first fuel cell powered transit bus at Georgetown University led to an FTA/University program for further fuel cell development. Fuel cell technology has the potential to provide very low emission, renewable power to move people and goods in a variety of urban and suburban settings.

FAA Environmental Protection. In an August 1995 report, FAA documented an increase in the proportion of quieter (Stage 3) aircraft used by U.S. airlines from 62.4 to 66.3 percent during CY 1994. FAA approved eighteen new airport Noise Compatibility Programs and awarded grants of more than $160 million for noise compatibility projects. Cooperative efforts of FAA and the Interior Department resulted in an agreement under which air tour operators will act to reduce noise around the Statue of Liberty and Ellis Island. FAA carefully considered public comments on aircraft noise over New Jersey as part of an intensive study that led to the October 1995 announcement of modified operating procedures to mitigate noise in certain areas of the state. NASA and FAA agreed to cooperate on research to reduce engine emissions. FAA also collaborated in research on reducing ground and water contamination from aircraft deicing, and awarded more than $4.7 million in grants that will help to control this problem. USACE completed the first phase of an assessment of

environmental and safety compliance at FAA facilities. FAA implemented comprehensive occupational safety and health programs at its regions and centers, and conducted energy analyses to help develop a lo-year energy plan.

Smoke-Free Travel. In October 1992, the ICAO Assembly passed a resolution calling for a complete ban on smoking on international flights by July 1, 1996. Since then, the Department has been pursuing regional bans as steps toward achieving a global ban. In 1995, a smoking ban on flights between Australia, Canada, and the United States became effective.

Aircraft Disinsection. In January 1995, the Department proposed a rule to require that potential travelers be notified, before the purchase of airline tickets, of flights sprayed with insecticide while passengers are on board. DOT personnel also met with foreign government officials to discuss public concern over disinsection and to explore other methods for addressing public health and agricultural issues. By the end of the year, only five nations required disinsection while passengers are on board.

Commercial Space Activities. In 1986, OCST produced a programmatic Environmental Assessment (EA) for launch operations to make compliance with NEPA easier for both the government and industry. In 1995, OCST began revising this programmatic EA to reflect the introduction of new launch technologies and other industry changes.

National Dredging Policy. To develop and implement environmental safeguards in the domestic and international arenas, MARAD created the Office of Environmental Activities. In coordination with the National Dredging Team, MARAD developed a National Dredging Policy Action Plan, endorsed by President Clinton.

Shipyard Environmental Roundtable. MARAD also held an industry/government roundtable conference on the impact of environmental standards and regulations on the competitiveness of U.S. shipyards in the international market.

Environmental and Safety Vessel Screening Program. Throughout the 1995 shipping season, SLSDC and its partners reengineered their environmental and safety programs, combining them into a single inspection at Montreal. This reduced customer delays by 50 percent and ensured that vessels with problems had them resolved before they entered U.S. waters.

Fisheries Enforcement. To ensure that fishing vessels met national goals for living marine resource management and conservation, USCG patrolled the boundaries of the U.S. Exclusive Economic Zone. USCG boarded more than 12,600 vessels, resulting in seizures of nine foreign vessels and 103 U.S. vessels for serious violations, 1,787 issuances for fishing violations, and 74 U.S. commercial fishing vessel voyages ended due to unsafe conditions.

Pollution Response. DOT prepared and distributed its Pollution Prevention Policy Statement and Strategy, outlining the Department's strategy for meeting the pollution prevention, emergency planning, and community right-to-know requirements mandated by Executive Order (EO) 12856.

USCG directed the removal of 915,880 gallons of oil from U.S. waters. Also, to meet the requirements of the Oil Pollution Act of 1990 (OPA '90), USCG started a major new initiative requiring Certificates of Financial Responsibility (COFR) for vessels of all nationalities and types. USCG issued more than 9,000 COFRs in 1995.

RSPA conducted OPA '90 table-top and field exercises that strengthened pipeline operators' response to actual spills. RSPA also worked with other Federal environmental agencies to design a plan that will allow a liquid pipeline operator to meet all Federal oil spill requirements with a single document.

Historic Preservation. Secretary Peña is a member of the Advisory Council on Historic Preservation, an independent agency that regulates how agencies must consider effects of their activities on historic sites under the National Historic Preservation Act. DOT has played a key role in revising the Council's regulations, thus reducing regulatory burdens on Federal agencies and their licensees and grantees, including state and local agencies, businesses, and private property owners.

Environmental Justice. In support of EO 12898, DOT developed a Departmentwide strategy to ensure environmental justice for minority and low-income

populations in transportation related policies and activities, and published its final environmental justice strategy in the *Federal Register* on June 29, 1995. Its objectives are to improve the environment and public health and safety in the transportation of people and goods, to harmonize transportation policies and investments with environmental concerns, and to give communities an opportunity to be part of the decisionmaking process.

Strategic Goal 6: Put People First

OBJECTIVE: Put consumers and the traveling public first.

OBJECTIVE: Ensure *that* transportation policies and investments embrace the concerns **of** *the* traveling public and neighborhoods, economic development interests, and *other societal* concerns.

Emergency Response. Emergency responses to natural and manmade disasters reached an all-time high. RSPA and the regional emergency transportation coordinators organized DOT's response to 21 tropical storms, 12 of which became hurricanes, floods and mudslides in the Midwest and in California, Virginia, Louisiana, and Florida, several earthquakes and related aftershocks, mostly in California, several ship-barge collisions, fires on Long Island, NY, and the bombing in Oklahoma City, OK.

All the Operating Administrations provided equipment and assistance. FAA shipped a portable ATC tower and other equipment to Puerto Rico and the Virgin Islands to keep aviation facilities operating after Hurricane Marilyn, and deployed personnel to Texas and Florida to help the Federal Emergency Management Agency during Hurricane Opal. FHWA joined the international transportation community to provide relief and technical assistance to the citizens of Kobe, Japan, after the January 17 earthquake. RSPA also participated in this partnership with Japan, inviting Japanese representatives to attend regional earthquake training exercises.

After the bombing of Oklahoma City's Federal Building, FAA supported recovery with equipment, facilities, and more than 300 volunteers. RSPA's Transportation Safety Institute provided office space, and administrative staff from FHWA headquarters helped to make the offices operational.

Planning Initiatives. RSPA, FRA, and FHWA partnerships with Houston-area railroads to reduce the impact of any hazardous materials accidents produced several significant results, including establishment of the Nation's first rail passenger fire suppression and evacuation course at the Texas Firemen's School.

Operation RESPOND, a pilot program to tie together railroads and emergency responders to exchange critical hazardous materials information in the immediate postaccident period, will achieve full operational capability with the Houston fire and police 911 dispatch centers.

RSPA designed, and began the construction of, a state-of-the-art crisis management center at DOT Headquarters. This center will provide an innovative and efficient operations facility for the Headquarters crisis management team, which consists of experts from every element of the Department. The team can be activated in any emergency affecting the Nation's transportation system to support both the Secretary and field personnel at disaster sites.

Aviation Consumer Protection. In January, Secretary Peña announced a Travelers First Initiative to improve the way the Department carries out its consumer protection responsibilities for airline passengers. The newly-reorganized Aviation Consumer Protection Division (ACPD) worked closely with air carriers to ensure that they understood and could carry out their responsibilities in the area of consumer protection. During the first quarter of 1995, it briefed management of the nine major U.S. airlines on the functions and focus of DOT's consumer protection program and how the office intended to work with each airline in the future. It also engaged in on-site visits with many new entrant airlines to develop an understanding of their operations and to familiarize them with the revitalized consumer protection program.

The office also set up a 24-hour telephone system to enable consumers to register a complaint telephonically and to obtain information on how to file a written complaint. During 1995, the office registered 6,026 written and telephone complaints from consumers in its electronic database, compared with 6,943 complaints in 1994.

In perhaps the most popular of its efforts to make data available to aviation consumers, DOT publishes on-time statistics both hard copy and on the Internet. The data cover all the domestic nonstop flights by the 10 largest airlines. With electronic access, consumers can readily compare flights by city-pair for delays and cancellations.

Auto Safety **Hotline.** In FY 1995, the Auto Safety Hotline, a toll-free service for consumers to report potential safety problems to NHTSA and receive recall and other highway safety information, provided services to 743,148 consumers. Sixty-eight percent of the defect investigations initiated during the year were based on information received in Hotline calls. For this outstanding, innovative customer service, the Hotline received the Vice President's Hammer Award.

Transportation Accessibility. By implementing the Americans With Disabilities Act (ADA) and the Air Carrier Access Act (ACAA), the Department continues to ensure that Americans with disabilities have access to all modes of transportation. DOT continued to provide copies of its handbook on the rights of the disabled public under the regulation implementing the ACAA, and to facilitate the integration of accessibility requirements for airports in the ACAA with accessibility requirements under Title II of the ADA. These led to the resolution of several key issues involved in ADA implementation. DOT also initiated a study to determine the feasibility and cost of applying ADA accessibility requirements to various classes of marine passenger vessels.

FTA continued to work closely with transit providers across the country. They reviewed and commented on 530 paratransit plan updates, conducted four additional ADA training sessions, and negotiated 23 voluntary compliance agreements with rail transit systems concerning timetables for making key stations accessible.

Bicycle and Pedestrian Initiatives. The Department expanded its support for bicycle and pedestrian safety, launching a major initiative that includes a public/private partnership to reduce the large number of fatalities and injuries occurring to bicyclists and pedestrians in motor vehicle crashes. DOT was a major sponsor of the Pro-Bike Pro-Pedestrian Conference, which attracted more than 450 professionals from around the world, and recently released the National Bicycling and Walking Study.

Older Pedestrians. FHWA completed a study on various characteristics of older pedestrians. The study identified various difficulties that older pedestrians experience. The results of the study served as a basis for recommended changes to highway design standards and operational procedures, such as modifying signal timing and widening sidewalks.

Support for 1996 Olympics and Paralympics. With FTA assistance, Atlanta, GA, negotiated contracts to provide 1,400 buses needed to provide surge capacity to Atlanta for the 1996 Olympics and Paralympics. In addition, Federal grants supported planning and operations for the Paralympics and a Pedestrian Walkways/Livable Communities program to provide enhanced pedestrian access to three Metropolitan Atlanta Rapid Transit Authority Rapid Rail stations next to the Atlanta University Center. This dovetails with a major technology and transportation management demonstration that FTA and FHWA will jointly lead. This includes electric buses, automated traveler information systems, centralized traffic monitoring and response, and travel management devices (both hand-held and in-vehicle) using geopositioning. New technologies displayed during this special event will remain afterward as permanent enhancements to Atlanta's transportation system. To prepare for the Olympics, FAA participated in the development of the required transportation infrastructure, including a demonstration heliport network, data link communications, and integration of air and surface modes.

Youth Corps. FHWA set up National Service and Urban Youth Corps projects in 18 states across the Nation. FHWA projects trained corps members in road construction and landscaping, provided them with skills and experiences, and helped them develop educational and career goals.

Helping Communities Solve Local Needs. FTA worked with national associations to help local communities identify and address their most significant

local transportation concerns. A cooperative agreement with the American Public Transit Association will develop passenger survey techniques and customer-based transit performance measures to help transit providers estimate how well they are meeting the needs of their communities. A grant to the Surface Transportation Policy Project will produce case studies of the experience of local communities in transportation planning. This project will show successful models of community empowerment addressing their transportation needs through the local planning process. Through these and other efforts, such as the Livable Communities and Arts in Transit initiatives, FTA provides the means for local communities to take control of their transportation future. The same information that provides a basis for communication between the local community and its transportation planners may also be a basis for improving the administration of the Federal grants that support transit in the United States.

Linking Transportation with the Community. FTA awarded twelve grants under the Livable Communities Initiative, for projects that integrate transit facilities with their surrounding communities by facilitating the collocation of neighborhood amenities, such as senior and day-care facilities, convenience stores, or banks, and by supporting a less car-dependent urban landscape. In addition, to provide greater funding stability and flexibility for major investment projects, FTA executed 11 new or amended full-funding grant agreements for the construction of fixed guideway transit systems in FY 1995. These agreements, involving $4.4 billion in Federal funding, support more than $7.2 billion in new transit construction projects.

Strategic Goal 7: Transform DOT

OBJECTIVE: Listen to our customers, both internal and external, and provide them with the quality services that they *want*.

OBJECTIVE: Cultivate a responsive proactive work ethic *that* rewards "getting it done."

Regulatory Reinvention Initiative (RRI). To implement his RRI, President Clinton directed agencies to act in six areas:

1) to review existing rules to identify those that they could drop or improve;
2) to hold outreach/grassroots meetings;
3) to conduct more regulatory negotiation;
4) to change performance criteria to measure results;
5) to permit waiver/modification of small business penalties; and
6) to reduce the frequency of required reports.

The Department submitted a final report on June 15, 1995, which summarized the results of its regulatory reinvention efforts. DOT continued to identify ways to further the RRI objectives, identifying new candidates for regulatory negotiation, existing rules that could be revised or eliminated, and holding more grassroots meetings. This ongoing project implements National Performance Review (NPR) recommendations for "Improving Regulatory Systems." It also furthers DOT's Strategic Plan goals to put people first and to transform the Department.

FAA Regulatory Reform. In September 1995, FAA released a report on its actions to improve the regulatory process, lessen economic burdens, and meet NPR objectives. Achievements included the agency's "Hate-a-Reg" program, which elicited more than 400 recommendations from the public on reducing unneeded regulation. As it followed up on these suggestions, FAA moved to establish stronger partnerships with those affected by regulations through such methods as grassroots meetings and continuing cooperation with a broadly representative rulemaking advisory committee. FAA established a Challenge 2000 task force to conduct a thorough review of regulation and certification policies, helping the agency to meet the increasing challenges of providing safety oversight to a rapidly evolving industry. Continuing to lessen reliance on enforcement actions, FM emphasized education and self-monitored compliance through such programs as remedial training for private pilots and a reporting and correction system for airlines, aviation manufacturers, and repair stations. FAA identified reports that they can require less frequently and used automation to lessen the burden of filing. The agency expanded its National Route Program, estimated to save industry more than $40 million annually by reducing costly restrictions on high altitude flights. FAA and airspace users also explored the future application of "free flight," a new concept that would give pilots unprecedented flexibility in choosing routes while they manage air traffic safely with aeronautical data link and other emerging technologies.

Highways. FHWA completed a review of all regulations under its jurisdiction. It sought and received comments from its partners. In June, in a report to the President, FHWA identified 14.5 pages of regulations to be eliminated from the CFR, and 77 pages to be reinvented.

Rail Safety Advisory Committee (RSAC). FRA began the process of establishing RSAC to give it advice and recommendations on specific rail safety topics. RSAC, a large-scale move to collaborative rulemaking, marks a basic shift in FRA's regulatory approach.

Restructuring. The Office of the Assistant Secretary for Administration reduced internal directives by 20 percent, reengineered the Departmental Directives System, and oversaw the Department's accomplishment of completing 50 percent of DOT-related recommendations. The Transportation Administrative Service Center, a fee-for-service organization, was also created to provide a broad spectrum of least cost, best value administrative services to the Department and other Federal agencies.

DOT streamlined operations in each operating administration without an adverse impact on safety. FAA alone reduced its workforce by 817 employees. Since 1993, USCG's workforce has dropped by more than 3,800 full time employees (or 8.4 percent). With continued decreases, the total USCG workforce will be the lowest since 1973.

Realignment of departmental offices successfully reduced overhead expenses, management layers, and several field offices. The number of division levels throughout DOT fell by almost 20 percent, exceeding goals for staff reductions.

To use resources better, consolidate functions, and increase management accountability, FAA implemented a structural reorganization based on its six basic lines of business and planned for the addition of a seventh, OCST. FAA's Airway Facilities organization expedited its national realignment and had consolidated 75 sector offices into 32 system management offices by FY 1995's end. The agency also consolidated its human factors program and centralized its flight inspection and flight procedures functions, eliminating several organizational units.

Using streamlined acquisition practices, FAA contracted for a Digital Voice Recorder System in about 7 months rather than the typical year. A major 7-year contract for technical support in air traffic automation was also awarded in half the normal time. FAA worked on a major simplification of airport grants administration and received recognition for reducing research grant application processing time. FAA converted 25 low-activity ATC towers to contract operation, for an annual estimated savings of almost $200,000 per tower.

FHWA developed an organizational streamlining package, and, at year's end was testing a pilot of this package in five western regions by consolidating some administrative functions into resource centers.

The Departmental Office of Civil Rights (DOCR) streamlined and improved the EEO complaint process throughout the Department. Before the consolidation of DOT's internal civil rights functions into DOCR, the average time to investigate complaints was 542 days. Since the consolidation, the average time to investigate new complaints filed is 212 days.

DOCR is also improving the Department's EEO program by promoting the use of alternate dispute resolution (ADR) techniques. ADR is a method for resolving conflicts without entering the formal process of complaint adjudication. An evaluation of the FY 1994 mediation ADR pilot program was completed in September 1995. DOCR is developing a plan to expand the ADR program throughout the Department.

SLSDC developed a plan to restructure the Corporation as a Federal corporation independent of a restructured DOT. By the end of the year, this plan was pending further action as part of the Department's legislative proposal to the Congress.

Performance Management. DOT has four designated pilot programs under the Government Performance and Results Act of 1993 (GPRA): FAA's Airway Facilities organization, FHWA's Federal Lands Highway program, USCG's Marine Safety, Security, and Environmental Protection program, and NHTSA in its entirety. All four submitted FY 1996 plans and FY 1994 reports to the Office of Management and Budget (OMB). They developed performance goals and indicators for programs that collectively account for about 9 percent of DOT's budget resources. As part of an FY 1997 Spring Performance Review conducted by OMB, the Department extended the scope of its performance measures to about 55 percent of the total FY 1996 budget authority.

In March, NHTSA published its FY 1994 Performance Report describing its actual performance against measures that had been specified in the FY 1994 Performance Plan. NHTSA released its FY 1996 Performance Plan in April, the third and final plan under the pilot program. The agency also included performance measures for each program in its FY 1996 budget request to Congress.

Financial Management. The Office of the Secretary (OST) reduced the volume of financial management policy regulations by 54 percent, from 1,153 pages in FY 1993 to 534 pages in FY 1995. Implementing an automated travel management system accessible to the entire Department, OST eliminates paper processing, permits electronic approval, and soon will automatically feed data to the Departmental Accounting and Financial Information System. OST ended redundant travel policy by replacing an unwieldy travel manual with a set of guiding principles. Excessive approval layers were ended by delegating authority throughout the Department to accept offers of travel payments from outside sources and to approve most employee travel. OST also adopted a financial management policy that provides for single-source data capture, direct customer access to financial data, standardized financial data, streamlined and integrated financial management processes and information technology infrastructure support. By promoting alternate payment mechanisms, OST eliminated all imprest fund services at DOT headquarters.

Civil Rights Information Management Systems. DOCR has increased its operational efficiency through the appropriate use of modern technology. It has developed and implemented automatic case tracking and reporting systems. These systems allow DOCR staff to monitor cases and improve the processing time of EEO complaints and DBE certification appeals. Recurring problem areas identified through these data systems are targeted for improvement efforts.

Streamlining of FTA Grant Programs. To make grantmaking faster and more efficient, FTA placed on-line, and implemented in its first phase, a new Electronic Grant Making and Management System (EGMM). A recipient of the Vice President's "Hammer Award," EGMM will allow total electronic application, review, and approval of Federal transit grants. To enhance the benefits of EGMM, FTA created a single annual certification to replace multiple certifications so that grantees may meet its regulations. Taken together, these program enhancements will reduce Federal and grantee administrative costs while accelerating the processing and subsequent availability of grants.

Centralization and Computerization of Dockets. To make its docket functions more streamlined and efficient and to provide better customer service, the Department is consolidating nine docket facilities into one centrally-managed facility, making a phased transition from a paper-based docket system to storage of electronic images in unalterable form, and standardizing docket procedures. Volpe, OST, and modal staff jointly developed this docket management system, which the Vice President cited for having met NPR goals.

These improvements will let DOT provide more efficient and secure document management and storage, provide easier access to electronically-stored information and more sophisticated search capability, network the facility electronically to departmental offices to save employees time and effort in accessing and analyzing docket information, end the duplication of services, and enhance building security by creating a single point of entry. DOT plans to provide electronic filing and on-line remote access to and from the docket for the public, and to enable docket staff to transfer documents electronically to other Federal offices.

This project uses modern technology to achieve efficiencies in the use of space and personnel, and to increase public participation in rulemaking and other government proceedings. It also furthered DOT's Strategic Plan goals to use new technology to create a more productive organization and to communicate better with the public.

Customer Service. FHWA established customer service standards for the Federal-Aid Highway, Motor Carrier, and Federal Lands Programs, and distributed them to state and local governments, industry associations, other Federal agencies, and the public.

FAA published customer service standards for four functional areas and pursued development of a Partnership for Safety program that will empower employees to upgrade service to Flight Standards customers.

The USCG Training Center at Petaluma, CA, Customer Support Services Division won the DOT Secretary's Customer Service Award for 1995.

MARAD prepared customer service plans and brochures for its electronic bulletin board (Marlinespike), NMREC, and the U.S. Merchant Marine Academy.

In a major SLSDC initiative that simplified shipping business transactions for its customers, effective October 1, 1994, Congress waived the cumbersome Seaway toll collection and rebate system that had been in effect since 1987.

Family Friendly Workplace. RSPA introduced alternate work schedules (AWS), telecommuting, a "Tell the Administrator" program, and an Employee Quality Council to cultivate an environment that improves communication, increases worker involvement, and improves employee job satisfaction and performance.

FHWA expanded its telecommuting program to include more than 150 employees at headquarters and throughout the Nation.

FAA received an award for helping employees balance work and family roles through such means as child care, telecommuting, and AWS.

OIG drafted a strategic plan for employee development that allows employees to reach their full potential through deliberate, systematic, and sustained individual effort. It expanded AWS to include Senior Executive Schedule (SES) level and other staff members. OIG established a pilot telecommuting program, and several employees began participating. Both the AWS and telecommuting programs empower staff with scheduling flexibility and allow them to meet dynamic workplace demands.

Workforce Diversity. FAA worked to standardize diversity training and established a senior-level Diversity Advocate.

FHWA continued its policy of reinforcing diversity in the workplace. By the end of the year, 31 percent of all SES employees were either women or minorities. In addition, 81 percent of the individuals chosen for the prestigious Highway Engineering Training Program were either minorities or women. Looking to the future, FHWA has held many outreach sessions to encourage a diverse range of students to pursue careers in transportation.

List of Acronyms

ACAA – Air Carrier Access Act of 1986
ACPD – Aviation Consumer Protection Division
ADA – Americans with Disabilities Act of 1990
ADR – alternate dispute resolution
AHS – Advance Notice of Proposed Rulemaking
AIP – Airport Improvement Program
ATC – Air Traffic Control
ATTB – Advance Technology Transit Bus
AWS – alternate work schedule
BAP – Bonding Assistance Program
BTS – Bureau of Transportation Statistics
CFS – Commodity Flow Survey
CMAQ – Congestion Mitigation and Air Quality Improvement
COFR – certificate of financial responsibility
CVO – commercial vehicle operations
CY – calendar year
DBE – Disadvantaged Business Enterprise/Entrepreneur
DOCR – Departmental Office of Civil Rights
DOD – Department of Defense
DOE – Department of Energy
DOT – Department of Transportation
3D – Drunk and Drugged Driving
EA – environmental assessment
EGMM – Electronic Grant Making and Managing
EMS – Emergency Medical Services
EO – Executive Order
EPA – Environmental Protection Agency
FAA – Federal Aviation Administration
FHWA – Federal Highway Administration
FRA – Federal Railroad Administration
FTA – Federal Transit Administration
FY – Fiscal Year
GIS – Geographic Information System
GPRA – Government Performance and Results Act of 1993
GPS – Global Positioning System
GSA – General Services Administration
ICAO – International Civil Aviation Organization
IF – Innovative Financing
ITS – Intelligent Transportation System
MARAD – Maritime Administration
MBE – Minority Business Enterprise/Entrepreneur
MPO – metropolitan planning organization
NAFTA – North American Free Trade Agreement
NASA – National Aeronautics and Space Administration
NEPA – National Environmental Policy Act
NETS – Network of Employees for Traffic Safety
NHS – National Highway System
NHTSA – National Highway Traffic Safety Administration
NMREC – National Maritime Resource and Education Center
NPR – National Performance Review
NTS – National Transportation System
OCST – Office of Commercial Space Transportation
OIG – Office of Inspector General
OMB – Office of Management and Budget
OPA'90 – Oil Pollution Act of 1990
OSDBU – Office of Small and Disadvantaged Business Utilization
OST – Office of the Secretary
PRC – People's Republic of China
PSA – public service announcement
R&D – Research and Development
RRI – Regulatory Reinvention Initiative
RSAC – Rail Safety Advisory Committee
RSPA – Research and Special Programs Administration
SES – Senior Executive Service
SLSDC – Saint Lawrence Seaway Development Corporation
SMS – safety management systems
STLP – Short Term Lending Program
TDWR – Terminal Doppler Weather Radar
TEAM – Techniques for Effective Alcohol Management
TRB – Transportation Research Board
USACE – United States Corps of Engineers
USCG – United States Coast Guard
USTR – United States Trade Representative
Volpe – Volpe National Transportation Systems Center
VTS – Vessel Traffic Services
WBE – Woman-owned Business Enterprise/Entrepreneur

☆ U.S. GOVERNMENT PRINTING OFFICE: 1997 427-577/40037